

Public Utilities Commission

Analyst: Milstead

Historical Summary

OPERATING BUDGET	FY 2004 Total App	FY 2004 Actual	FY 2005 Approp	FY 2006 Request	FY 2006 Gov Rec
BY FUND CATEGORY					
Dedicated	4,516,400	4,066,900	4,511,500	4,678,900	4,664,000
Federal	65,400	43,900	70,400	70,400	69,900
Total:	4,581,800	4,110,800	4,581,900	4,749,300	4,733,900
Percent Change:		(10.3%)	11.5%	3.7%	3.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	3,125,500	2,978,500	3,228,500	3,426,000	3,415,400
Operating Expenditures	1,456,300	1,132,300	1,329,800	1,271,400	1,266,600
Capital Outlay	0	0	23,600	51,900	51,900
Total:	4,581,800	4,110,800	4,581,900	4,749,300	4,733,900
Full-Time Positions (FTP)	49.00	49.00	49.00	49.00	49.00

Department Description

The Idaho Public Utilities Commission was established by the 12th Session of the Idaho Legislature and was organized on May 8, 1913. The Commission oversees the intrastate operation of investor-owned electric, gas, water, and telecommunications utilities, pipelines, and railroads. The Commission does not regulate publicly owned municipal, or cooperative utilities. The Commission serves the citizens and utilities of Idaho by determining fair, just and reasonable rates for utility commodities and services to be delivered safely, reliably, and efficiently, and by ensuring safe and adequate rail services within the state.

After the legislature removed the motor carrier function from the Commission, the Administration, Utilities and Regulated Carriers programs were combined into one program for budgeting purposes. The commissioners are supported by two policy analysts, legal counsel, the utilities division, and an administrative division.

The Administration Division has management, fiscal, personnel and public affairs, pipeline, and railroad carrier responsibilities. It provides support services for the agency (Sections 61-301:337, Idaho Code). The railroad carriers function is responsible to assure that railroads operate safely and that the public is provided adequate rail service (Section 61-509, Idaho Code).

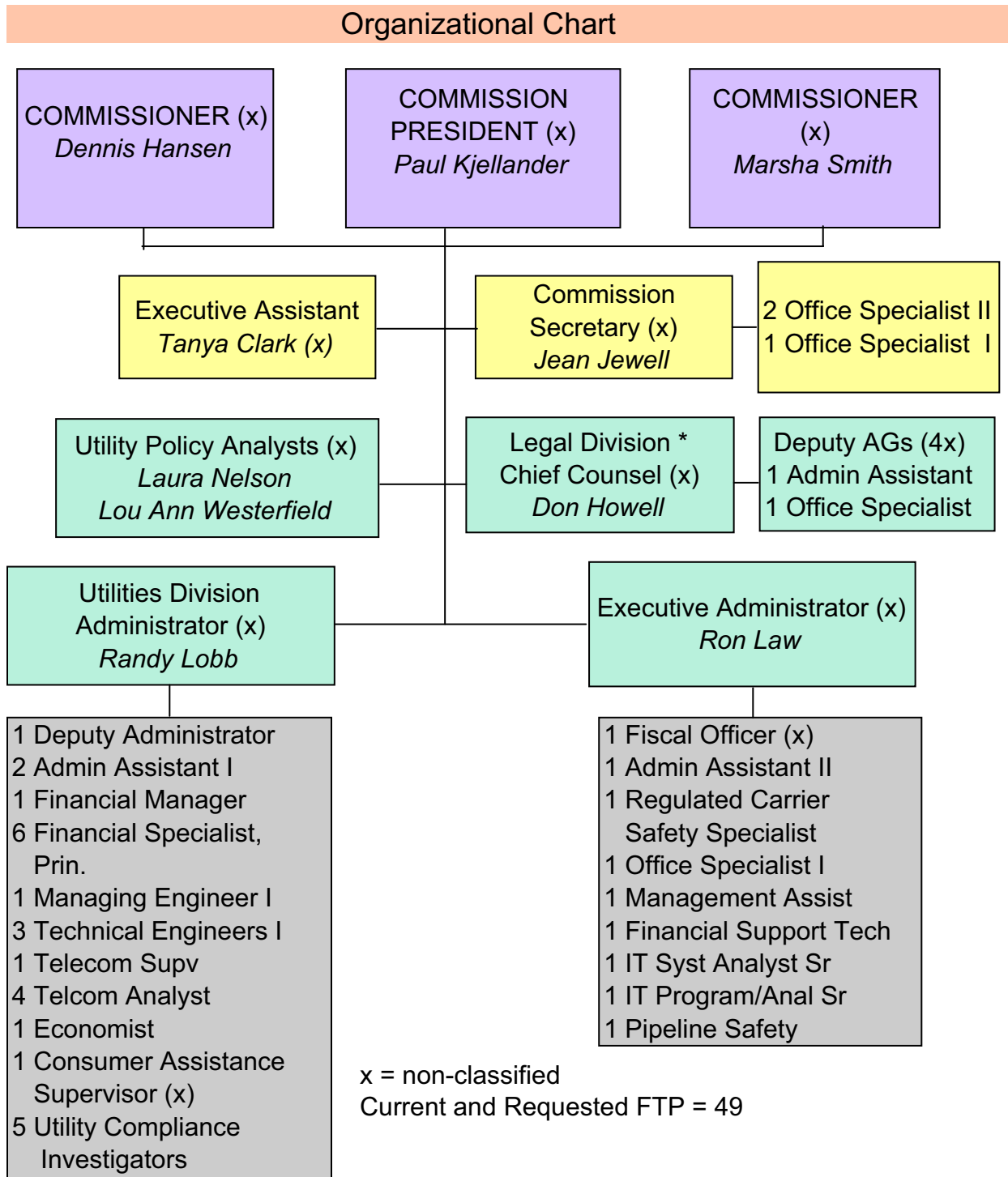
The Utilities Division includes: Accounting, Engineering, Economic, Telecommunications, and Consumer Assistance. The Accounting Section advises the Commission on auditing, accounting, financing, income tax and security issues. It participates in all rate cases to determine proper income, expenses, rate bases and revenue requirements. The Engineering, Economic, and Telecommunications Sections are primarily responsible for economic and engineering analysis of rates, rate design, and cost of service and technical evaluations of company proposals. The Consumer Assistance Section is responsible for handling customer complaints and specialized information requests.

Programs are funded by the Public Utilities Commission Fund which consists of fees collected from the regulated utilities (telephone, power, natural gas, and water corporations) in the amount of not more than 0.3% (currently .2405%) of their intrastate revenues (Section 61-1004, Idaho Code) and from railroad corporations not more than 1% (currently .6161%) of the gross operating revenues derived from the intrastate business. In prior years, General Fund expenditures for the salaries and benefits of the commissioners (Section 61-1009, Idaho Code) were reimbursed to the General Fund at year end from the Public Utilities Commission Fund. However, beginning in FY 2001, the law was changed and Commissioner's salaries are now paid from the PUC Fund.

Public Utilities Commission

Agency Profile

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*Note: Attorneys General are paid through o.e. by contract with the AG's office and do not count as FTPs in this agency.

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Strategic Planning Act Performance Measures

Selected Measures	FY 2002 Act	FY 2003 Act	FY 2004 Act	FY 2005 Est
1. Number of formal workshops/public hearings	68	28	34	68
2. Number of informal complaints	5,301	3,581	2,778	3,000
3. Number of informal complaints investigated	3,562	2,509	1,953	2,000
4. Number of cases overturned	0	0	1	0
5. Number of cases filed	182	197	233	182
6. Resolve issues using alternative dispute resolution	5,269	3,548	1,882	2,000
7. Number of gas pipeline inspections	40	40	38	55
8. Percent of complaints where commission reversed or modified the company's action	40.0%	41.0%	56.0%	50.0%
9. Average number of days to resolve complaints	6	6	7	6
10. Number of formal complaint investigations initiated	5	10	6	5
11. Number of complaints/inquiries	6,881	4,708	3,688	4,000
12. Conduct railroad crossing safety inspections	199	30	33	130
13. RR crossing complaints investigated	33	8	35	35
14. Correct railroad crossing deficiencies	28	33	31	NA

Fund Information	FY 2002 Act	FY 2003 Act	FY 2004 Act	FY 2005 Est
Public Utilities Commission Fund				
Beginning Free Fund Balance	\$3,650,500	\$3,924,700	\$4,425,700	\$4,438,100
Regulatory Utility Fees (.2577% of intrastate rev)	4,229,600	4,261,500	3,995,800	3,839,100
Utilities Security Issuance Fees	10,300	7,100	8,600	8,000
Railroad Regulatory Fees (.8171% gross op rev)	213,600	112,800	66,300	128,100
Miscellaneous Receipts (sale of copies, etc.)	900	3,800	2,200	1,000
Total Available for Year	8,104,900	8,309,900	8,498,600	8,414,300
Cash Expenditures	4,180,200	3,884,300	4,066,200	4,612,300
Encumbrances as of June 30	0	0	0	0
Ending Free Fund Balance*	\$3,924,700	\$4,425,600	\$4,432,400	\$3,802,000

*The PUC needs to retain a Free Fund Balance of about 50% of the appropriation for cash-flow purposes.

Fund Sources/Uses

Public Utilities Commission Fund (229-20): Each public utility and railroad corporation annually pays a special regulatory fee in such amount as determined by the Commission. The fee shall not exceed one percent of the gross operating revenues derived from the intrastate business of each railroad corporation and shall not exceed three-tenths of one per cent of the gross operating revenues derived from the intrastate business of each public utility. This fund pays the costs of regulating utilities subject to the Commission's jurisdiction.

FY 2005 App.

\$4,511,500

Federal Grants (348-00): Federal monies used for physical inspection of intrastate natural gas pipelines and to evaluate pipeline operating procedures.

\$70,800

\$4,581,900

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2005 Original Appropriation	49.00	0	4,581,900	49.00	0	4,581,900
HB 805 One-time 1% Salary Increase	0.00	0	24,500	0.00	0	24,500
1. HB 802--Commissioner Salaries	0.00	0	5,900	0.00	0	5,900
Governor's Rescission	0.00	0	0	0.00	0	(5,500)
FY 2005 Total Appropriation	49.00	0	4,612,300	49.00	0	4,606,800
Removal of One-Time Expenditures	0.00	0	(48,100)	0.00	0	(46,700)
Base Adjustments	0.00	0	(11,700)	0.00	0	(7,600)
FY 2006 Base	49.00	0	4,552,500	49.00	0	4,552,500
Benefit Costs	0.00	0	47,000	0.00	0	36,400
Inflationary Adjustments	0.00	0	4,800	0.00	0	0
Replacement Items	0.00	0	51,900	0.00	0	51,900
Nonstandard Adjustments	0.00	0	(51,500)	0.00	0	(51,500)
Change in Employee Compensation	0.00	0	24,600	0.00	0	24,600
27th Payroll	0.00	0	120,000	0.00	0	120,000
Fund Shifts	0.00	0	0	0.00	0	0
FY 2006 Total	49.00	0	4,749,300	49.00	0	4,733,900
Change from Original Appropriation	0.00	0	167,400	0.00	0	152,000
% Change from Original Appropriation			3.7%			3.3%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2005 Original Appropriation	49.00	0	4,511,500	70,400	4,581,900
HB 805 One-time 1% Salary Increase					
Reflects the one-time one percent salary adjustment (HB 805).					
Agency Request	0.00	0	24,100	400	24,500
Governor's Recommendation	0.00	0	24,100	400	24,500
1. HB 802--Commissioner Salaries					
HB 802, passed late in the last legislative session, raised PUC Commissioner salaries to \$82,740. This request provides dedicated fund spending authority to fund the increase in Commissioners' salaries authorized by HB 802. (On-going).					
Agency Request	0.00	0	5,900	0	5,900
Governor's Recommendation	0.00	0	5,900	0	5,900
Governor's Rescission					
Agency Request	0.00	0	0	0	0
The Governor recommends removal of funds not needed to implement HB 805. In addition, the Governor recommends removal of risk management funding in excess of needs calculated by the Department of Administration.					
Governor's Recommendation	0.00	0	(5,300)	(200)	(5,500)
FY 2005 Total Appropriation					
Agency Request	49.00	0	4,541,500	70,800	4,612,300
Governor's Recommendation	49.00	0	4,536,200	70,600	4,606,800
Removal of One-Time Expenditures					
Removes last year's replacement items budget and the one-time one percent temporary salary increase for state employees.					
Agency Request	0.00	0	(47,700)	(400)	(48,100)
Governor's Recommendation	0.00	0	(46,500)	(200)	(46,700)
Base Adjustments					
Reflects a base reduction to recognize the state's pipeline safety program is costing less to administer than originally anticipated. This is due primarily to the completion of start-up training.					
Agency Request	0.00	0	(7,000)	(4,700)	(11,700)
Restore risk management rescission to the base.					
Governor's Recommendation	0.00	0	(2,900)	(4,700)	(7,600)
FY 2006 Base					
Agency Request	49.00	0	4,486,800	65,700	4,552,500
Governor's Recommendation	49.00	0	4,486,800	65,700	4,552,500

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are health insurance rates and retirement rates. Health insurance is projected to increase by 9.7% or \$632 per position. Retirement rates are scheduled to increase by 5.9% from 10.39% to 11% of salary for regular employees and by 5.7% from 10.73% to 11.34% of salary for police and firefighters. Other benefit changes include a reduction in unemployment insurance rates, a reduction in Division of Human Resources rates for classified employees, and an increase in workers compensation rates.					
Agency Request	0.00	0	46,400	600	47,000
<i>The Governor does not recommend increases related to changes in the Public Employee's Retirement System.</i>					
Governor's Recommendation	0.00	0	35,900	500	36,400
Inflationary Adjustments					
Includes a general inflationary increase of 1.3% in operating expenditures and trustee/benefit payments.					
Agency Request	0.00	0	4,400	400	4,800
<i>The Governor recommends no increase for general inflation.</i>					
Governor's Recommendation	0.00	0	0	0	0
Replacement Items					
Replaces network servers (\$15,000) and 16 of 58 personal computers (\$900 each for a total of \$14,400) in accord with the Commission's IT plan. This request also includes \$22,500 for a replacement vehicle for the Railroad Safety Programs. The program currently uses a Dodge Intrepid with over 125,000 miles on the odometer. This car was acquired in July, 1997. The Commission seeks to purchase a vehicle with higher clearance to better withstand terrain associated with rail yards, railroad right of ways and track sidings. (All one-time).					
Agency Request	0.00	0	51,900	0	51,900
Governor's Recommendation	0.00	0	51,900	0	51,900
Nonstandard Adjustments					
The Statewide Cost Allocation Plan assesses state agencies for their actual use of Attorney General, State Controller and State Treasurer services. Also included are changes in property and casualty insurance premiums and includes increases in lease costs (\$9,400). Also reflects costs for the fiber-optic connection to the Capitol Mall network (\$3,000).					
Agency Request	0.00	0	(51,600)	100	(51,500)
Governor's Recommendation	0.00	0	(51,600)	100	(51,500)
Change in Employee Compensation					
Reflects the cost of a 1% salary increase for permanent and group positions.					
Agency Request	0.00	0	24,200	400	24,600
<i>The Governor recommends a compensation increase of 1% to be distributed based on merit. No adjustment to the pay line is recommended.</i>					
Governor's Recommendation	0.00	0	24,200	400	24,600
27th Payroll					
Reflects the cost of one additional payroll in fiscal year 2006. This happens every eleven or twelve years because there are 364 days in 26 payperiods but a year has 365.242 days.					
Agency Request	0.00	0	118,400	1,600	120,000
Governor's Recommendation	0.00	0	118,400	1,600	120,000

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Fund Shifts					
Reflects a shift in funds from the Public Utilities Commission fund to a federal grant fund to increase spending authority of federal funds.					
Agency Request	0.00	0	(1,600)	1,600	0
Governor's Recommendation	0.00	0	(1,600)	1,600	0
FY 2006 Total					
Agency Request	49.00	0	4,678,900	70,400	4,749,300
Governor's Recommendation	49.00	0	4,664,000	69,900	4,733,900
Agency Request					
Change from Original App	0.00	0	167,400	0	167,400
% Change from Original App	0.0%		3.7%	0.0%	3.7%
Governor's Recommendation					
Change from Original App	0.00	0	152,500	(500)	152,000
% Change from Original App	0.0%		3.4%	(0.7%)	3.3%